

# Reef Report

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Real Estate & Economic Forecast  
United States

September 2025

# Executive Summary

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## Macro Context

- Fed Cuts Rates While Inflation Heats Up
- Labor Market Cracks Begin to Show

## Housing Market

- Rates Fall Slightly, Housing Market Stays Frozen
- Affordability Improves, But Buyer Demand Remains Weak
- Housing Market Shows Mixed Price Signals

## Supply & Construction

- Construction Activity Signals Regional Shifts
- Supply Data Shows Volatility, Awaits Revisions
- Construction Jobs Signal Regional Opportunity

## Market Risks & Outlook

- When The Federal Funds Rate Falls
- State of the U.S. Government Shutdown Debate



The background of the slide features a series of white, wavy, concentric lines that create a sense of depth and movement. These lines are set against a solid blue background that has a subtle gradient, being slightly lighter at the top and darker at the bottom. The lines are most prominent on the left and right sides, framing the central text.

# Macro Context

# Fed Cuts Rates While Inflation Heats Up

## Macro Context

### Headline Inflation

- Month-over-month, headline inflation saw an increase to 2.94%.
- Last year, headline inflation was measured at 2.61%.

### Core Inflation

- Month-over-month, core inflation saw an increase to 3.11%.
- Last year, core inflation was measured at 3.29%.

Inflation continues to persist, however, this has not stopped the Fed from making its first rate cut of the year. It remains to be seen as to whether this will stoke further inflation. Core inflation remains above 3%, even after a year of so-called “restrictive” policy. The Fed will likely cut again this year, and when Powell is replaced next year, his successor will most likely align closely with the administration on rates. The big question remains: what will crack first, rates, labor, or something else?



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics



# Labor Market Cracks Begin to Show

## Macro Context

### Unemployment Rate

- The unemployment rate rose to 4.3%.
- U-6 underemployment saw an increase to 8.1%.

### Job Openings

- Job openings saw a decrease to 7.18 million.
- Year-over-year, job openings have decreased by 4.3%.

In our view, this is what the Fed, and for that matter everyone, should be concerned about. The labor market remains intact, but cracks are emerging in slower hiring, fewer job openings, and sector-specific recessions. If labor force participation or other metrics that influence the unemployment calculation begin to shift, we could very well see the rate tick up. And once it starts to rise, it often keeps climbing.

An important note: the BLS has announced that jobs data will not be reported during a government shutdown. Coupled with proposed government layoffs, this could delay the labor market signal on how well (or how poorly) things are going. This is likely an intentional outcome, as the new BLS head had already floated the idea of pausing certain economic data releases.



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics





# Housing Market

# Rates Fall Slightly, Housing Market Stays Frozen

## Housing Market

### Mortgage Rates

- As of September 25, 2025, mortgage rates are at 6.30%.
- Mortgage rates have declined from their 7.04% peak in January.

Yet again, even after the Fed cuts its policy rate, mortgage rates remain above 6%. For those in the back: the Fed's policy rate does not fully determine mortgage rates. Mortgage rates are tied more closely to the long end of the yield curve, primarily the 10-year Treasury rate. Given the current macro picture, the 10-year is not cooperating, as global debt markets price in higher deficits, higher spending, and ultimately a weaker dollar. As long as the long end of the curve stays elevated, mortgage rates will too.

If you think the open market would price home loans for the general public anywhere near current levels, you are mistaken. The FHFA is the only thing preventing mortgage rates from a complete blowout. Your qualms are not with the Fed.



Source: Freddie Mac

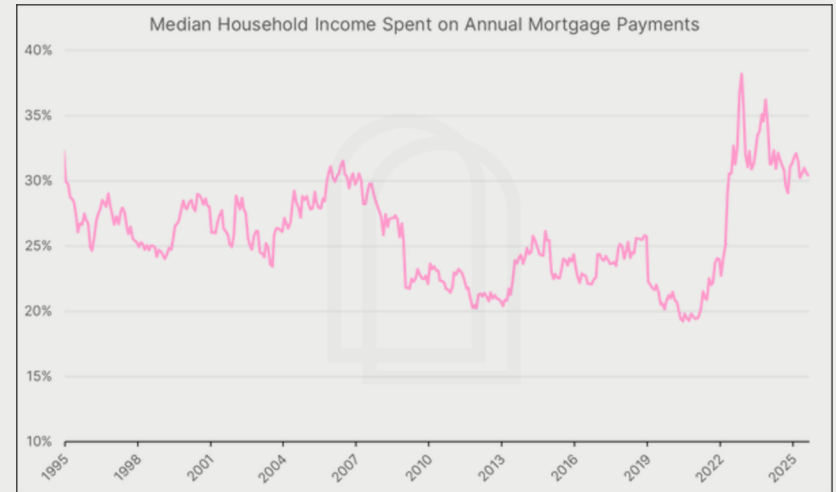


# Affordability Improves, Demand Remains Weak

## Housing Market

### Mortgage Payments to Household Income Ratio

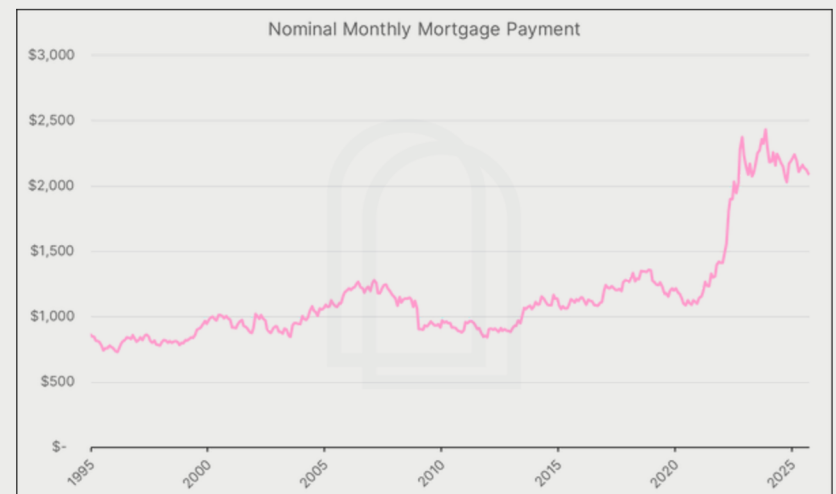
- Month-over-month, this metric decreased to 30.5%.
- Year-over-year, we saw a decline of 1.2%.
- When zooming out five years, we see a massive increase of 57.9%.



Source: Reef Insights

### Nominal Monthly Mortgage Payment

- Month-over-month, the nominal monthly mortgage payment saw a slight decline to \$2,090.
- Year-over-year, this metric has declined 1.1%.
- When zooming out five years, we see a massive increase of 85.9%.



Source: Reef Insights



# Housing Market Shows Mixed Price Signals

## Housing Market

### Median Sales Price of New Houses Sold

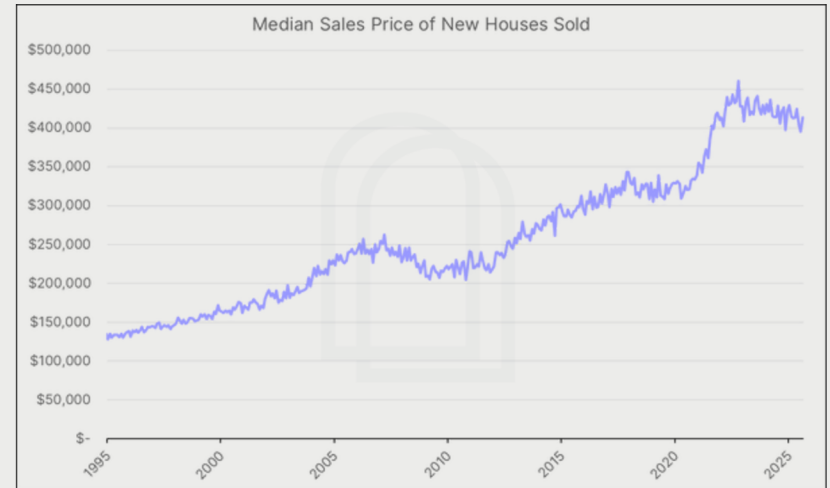
- Month-over-month, the median sales price rose to \$413,500.
- Year-over-year, the median sales prices increased by 1.9%.

### Median Sales Price of Existing Houses Sold

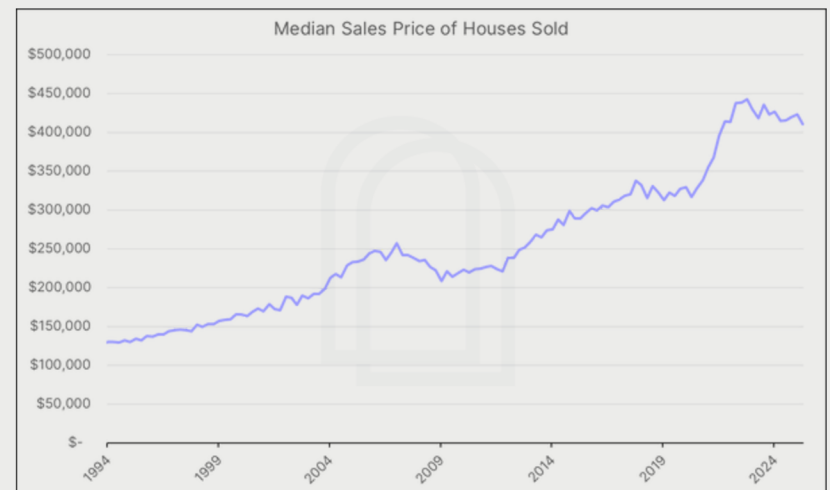
- Quarter-over-quarter, the median sales price declined to \$410,800.
- Year-over-year, the median sales prices declined by 0.9%

The housing market is an elusive monster that hides its face. A multitude of factors are shaping it. First, high rates are driving up financing costs. Second, incomes remain stable for now, but pressure is building on the horizon. Third, the dollar is experiencing its worst year since the 1970s. Taken together, this creates an uneven market—some pockets are doing well, while others are performing terribly, as we have already seen.

Overall, the market is so illiquid from a volume perspective that odd things will continue to happen. For example, in areas with limited availability, bidding wars have pushed prices well above asking, reminiscent of 2021. The difference this time is that every additional dollar significantly increases the total cost because of rates that are roughly three times higher.



Source: U.S. Census Bureau



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development



The background of the slide is a dark blue field filled with intricate, white, wavy lines. These lines form a series of concentric, flowing patterns that resemble topographical map lines or liquid ripples. The patterns are most dense in the corners and along the edges, creating a sense of depth and movement. In the center, the text 'Supply & Construction' is displayed in a clean, white, sans-serif font.

# Supply & Construction

# Construction Activity Signals Regional Shifts

## Supply & Construction

### Real Residential Construction Spend

- Month-over-month, the index saw a decrease to 101.8.
- Year-over-year, the index has decreased by 8.0%.

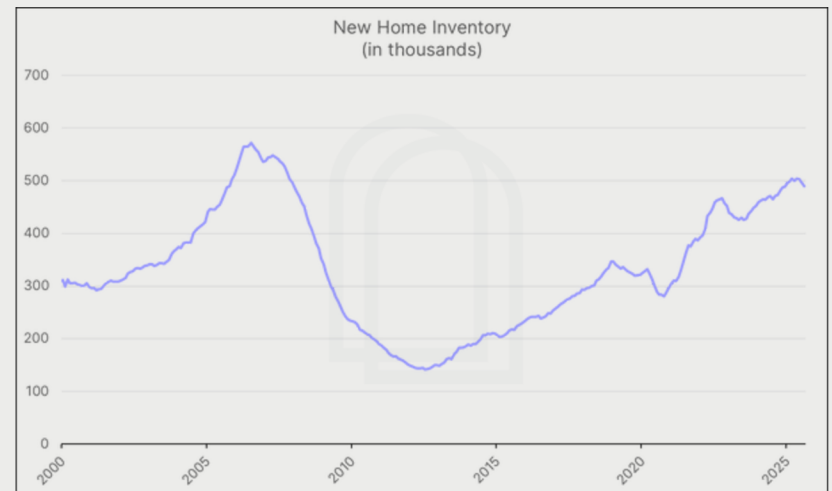
### New Home Inventory

- Month-over-month, new home inventory saw a decline to 490,000 units.
- Year-over-year, inventory has increased by 4.0%.

Given the increase in construction job openings (addressed later in the report), there is potential for a slow rebound in real construction spending. This rebound will likely be region-specific, concentrated in the Midwest and Northeast, where markets are less burdened by new and existing home inventories.



Source: Reef Insights



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development



# Supply Data Shows Volatility, Awaits Revisions

## Supply & Construction

### New Housing Supply

- Month-over-month, the months' supply fell to 7.4.
- Year-over-year, the months' supply decreased by 9.8%.
- Given the size of the month-over-month change, this may be revised.

### Existing Housing Supply

- Month-over-month, the months' supply fell to 4.6.
- Year-over-year, the months' supply has risen 15.0%.

While these numbers look substantial, they are expected to be revised closer to last month's figures. We do not anticipate anything notable, as the data has been in the same holding pattern all year.



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development



Source: National Association of Realtors



# Construction Jobs Signal Regional Opportunity

## Supply & Construction

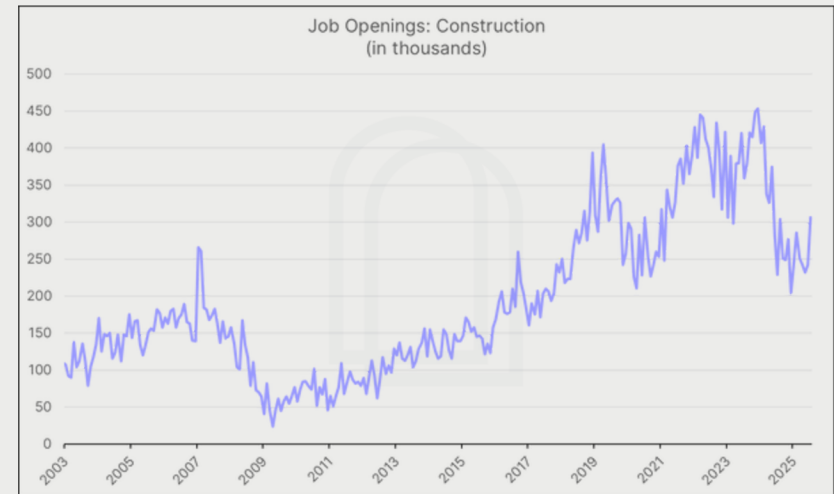
### Construction Job Openings

- Month-over-month, construction job openings saw an increase to 306,000.
- Year-over-year, construction job openings have increased by 33.6%

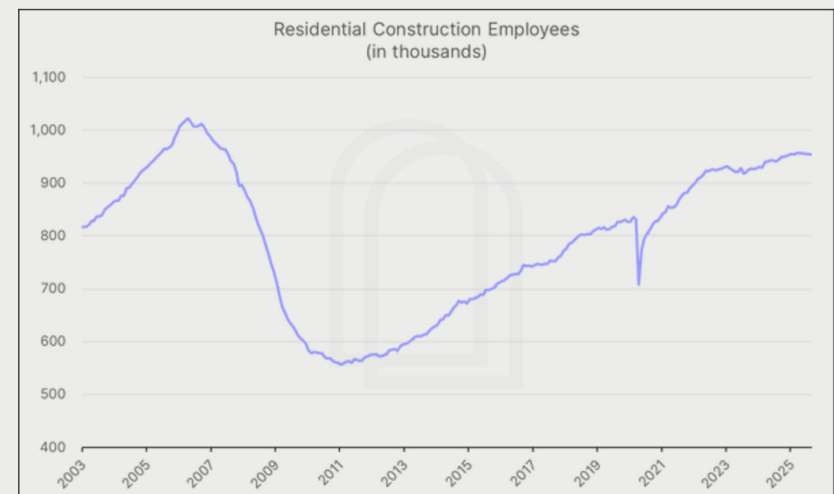
### Residential Construction Employees

- Month-over-month, residential construction employees declined to 954,000 employees.
- Year-over-year, we've seen a 1.0% increase in employees.

An interesting development is that we appear to be turning the corner on job openings in the construction sector. This is a positive sign, as builders are likely looking ahead to the prospect of lower rates—or at least hoping for them—to stimulate housing demand. Alternatively, given the relative strength of the Midwest and Northeast, which have not experienced the ballooning inventories seen in the West and South, appetite for building activity could be rising in those regions.



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics



The background features a series of thin, white, curved lines that flow across a dark blue field, creating a sense of movement and depth. The lines are arranged in a way that suggests a stylized, abstract landscape or perhaps a representation of data flow.

# Market Risks & Outlook

# When The Federal Funds Rate Falls

## Market Risks & Outlook

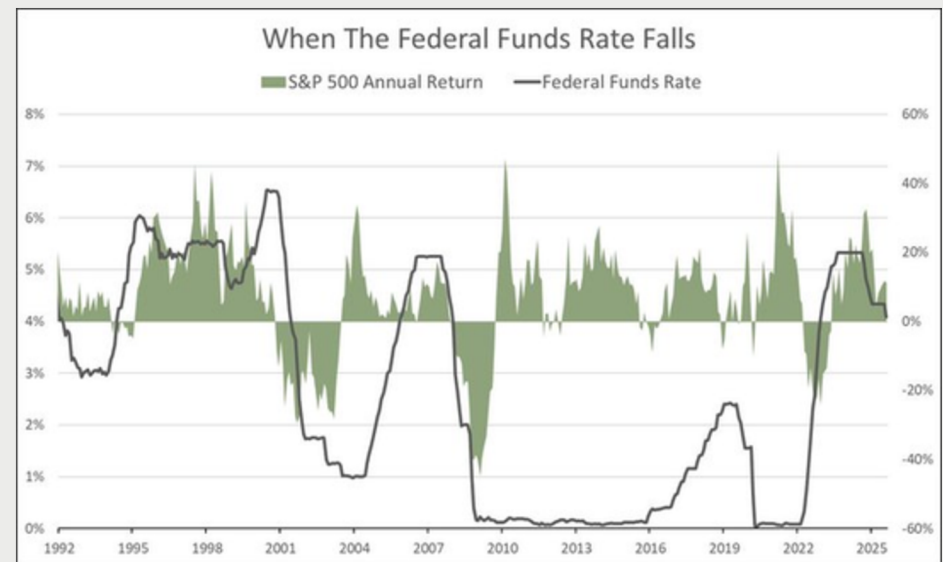
With further rate cuts expected from the Federal Reserve through the remainder of the year, we thought it would be useful to revisit a topic we touched on last year.

Historically, rate cuts are often seen as bullish for equities, but the data shows this assumption does not always hold true. During the tech bubble in the early 2000s and the Great Financial Crisis, for instance, the S&P 500 posted negative returns even as the Federal Reserve made numerous rate cuts.

It could be argued that these were isolated events, especially since the rate cuts during the pandemic did not coincide with a sharp market correction. In fact, negative annual returns did not emerge until 2022, when the Federal Reserve began raising rates to combat inflation. The strength of equity performance during the pandemic can be partially attributed to the massive fiscal stimulus provided to companies and households at the time.

Now that markets anticipate a series of ensuing rate cuts, the question arises:

Will this prove positive for equity returns?



Source: Board of Governors of the Federal Reserve System



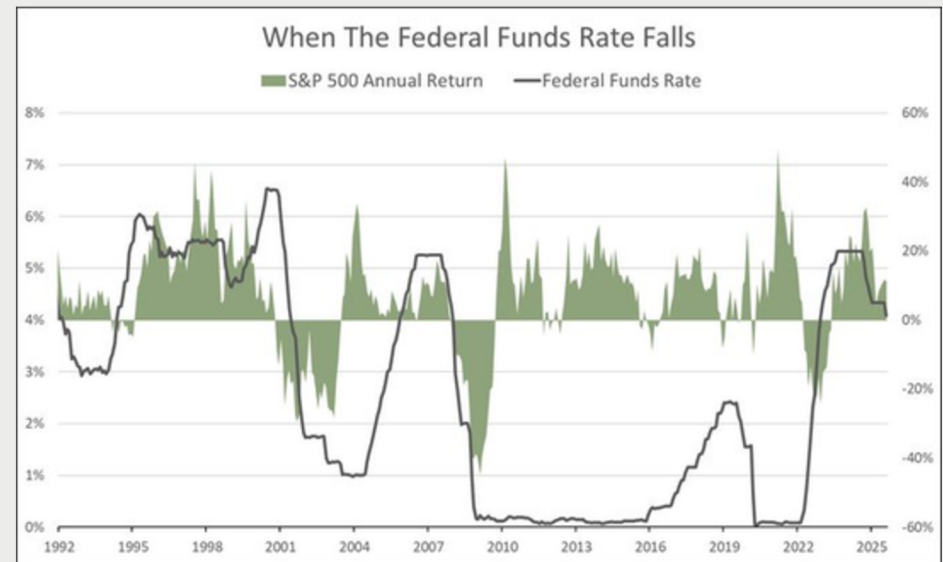
# When The Federal Funds Rate Falls

## Market Risks & Outlook

Much depends on whether the U.S. economy slips into recession, and whether the government steps in again to stimulate a weakening economy. Labor and price conditions will also shape the Fed's path, influencing whether policymakers deliver aggressive cuts or proceed more cautiously.

Another important factor is long-term yields, which do not always move in lockstep with the federal funds rate. When the Fed reduced rates last year, long-term yields actually rose. Globally, the same trend has been seen, with long-term yields climbing even as central banks cut rates—potentially reflecting growing concerns over government solvency in bond markets.

Only time will tell how far the Fed goes in reducing the federal funds rate and what that ultimately means for equities.



Source: Board of Governors of the Federal Reserve System



# State of the U.S. Government Shutdown Debate

## Market Risks & Outlook

The risk of a federal government shutdown has rarely loomed larger.

As of September 2025, lawmakers in Washington remain deadlocked over spending levels and policy riders. Without an agreement, funding for most government operations will expire on October 1, the first day of the new fiscal year.

When Republicans assumed control of Congress, they committed to curbing deficits and cutting discretionary spending. However, this has not been borne out in practice, as deficit projections have continued to rise despite claims to the contrary from the administration.

Democrats, by contrast, have sought to maintain or expand funding for domestic programs ranging from healthcare to climate initiatives.

What is important to recognize about shutdowns, and fiscal standoffs more broadly, is that they often hinge less on absolute dollar figures than on the political leverage each side believes it holds.

In other words, shutting down the government would have less to do with fiscal policy and more to do with Democrats attempting to weaken the administration.

Another way to view the impact is through federal workers and agencies. A shutdown means furloughs for hundreds of thousands of employees, delays in services, and disruptions to programs. While essential operations such as military activity and Social Security checks continue, many functions—ranging from passport processing to federal research—grind to a halt.

Even so, not all shutdowns are alike. Over the past three decades, shutdowns have ranged from just a few hours to more than a month, with varying economic consequences. The longer they drag on, the greater the costs for households, businesses, and the broader economy.

In summary, every variable that feeds into the shutdown risk—partisan polarization, fiscal deficits, policy riders, and electoral politics—has moved in a direction that makes resolution more difficult.



# State of the U.S. Government Shutdown Debate

## Market Risks & Outlook

There are four levers that can, in theory, avert a shutdown:

1. Compromise on overall spending levels
2. Removal of policy riders
3. Passage of a continuing resolution
4. Public and market pressure forcing a deal

Of these, the two most influential are continuing resolutions and bipartisan compromise. A short-term resolution can keep the government open, but it merely delays the conflict. Sustainable compromise requires both parties to give ground on spending priorities or policy riders.

Public pressure is unlikely to fade, and history suggests voters punish whichever side is seen as inflexible. Financial markets, likewise, tend to react poorly when shutdowns drag on, adding urgency to negotiations.

In practical terms, that leaves compromise as the lever lawmakers themselves can pull. There are already signs of back-channel discussions aimed at finding middle ground.

Of course, politics remains cyclical. Some standoffs, such as the 1995–96 shutdowns or the 2018–19 closure, were resolved only after one side absorbed most of the public backlash. This time may prove no different.

Looking ahead, the trajectory of the shutdown debate will depend heavily on how far party leaders are willing to push the standoff and whether short-term fixes can hold. Fluctuations in public opinion will play a decisive role in determining how quickly Congress acts to restore funding and stability.



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- The Story of the U.S. Housing Market
- The Rise in Older First-Time Homebuyers

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Additionally, if you're interested in similar content—plus a few extra ramblings—check out our X account.



# Data Table

Metric	This Period	Last Period	Year Ago	Latest Release
Housing Starts: Total Units	1,307	1,429	1,391	Aug-25
New Housing Supply	7.40	9.00	8.20	Aug-25
Existing Housing Supply	4.60	4.70	4.00	Jul-25
Nominal Median Sales Price of Houses Sold	\$ 410,800	\$ 423,100	\$ 414,500	Apr-25
New Building Permit Authorizations: Total Units	1,330	1,362	1,476	Aug-25
Case-Shiller Index	331.52	331.34	325.37	Jun-25
Residential Construction Employees	954	955	945	Aug-25
Nominal Mortgage Rates	6.56	6.72	6.35	Sep-25
Delinquency Rates: Single-Family	1.79	1.78	1.73	Apr-25
Delinquency Rates: Commercial	1.57	1.57	1.21	Apr-25
PPI: Residential Construction	330	329	320	Aug-25
Construction Spending: Residential	\$ 899	\$ 898	\$ 947	Jul-25
Housing Inventory: Median Days on Market	60	58	55	Aug-25
Nominal Monthly Mortgage Payment	\$ 2,090	\$ 2,125	\$ 2,067	Sep-25
Real Mortgage Payment Index	569.03	571.96	575.86	Aug-25



# Data Table

Metric	This Period	Last Period	Year Ago	Latest Release
Median Household Income Spent on Annual Mortgage Payments	30.46	30.61	30.82	Aug-25
Fair Value Variable	(13.01)	(13.77)	(17.63)	Aug-25
Housing Expense Change	19.08	19.48	30.00	Aug-25
Nominal Median Household Income	\$ 83,730	\$ 80,610	\$ 80,610	2024
Headline Inflation	2.94	2.73	2.61	Aug-25
Core Inflation	3.11	3.05	3.29	Aug-25
Unemployment Rate	4.30	4.20	4.20	Aug-25
Federal Funds Rate	4.33	4.33	5.33	Aug-25
Personal Savings Rate	4.60	4.80	5.20	Aug-25
Jobless Claims	218,000	232,000	221,000	Sep-25
10-Year U.S. Treasury Yield Minus 2-Year U.S. Treasury	(0.34)	(0.26)	(1.21)	Sep-25
Residential Rental Vacancy Rate	7.00	7.10	6.60	Apr-25
Real Residential Construction Spend Index	101.82	102.14	109.92	Jul-25
Household Savings	\$ 1,162	\$ 711	\$ 711	2023
Bank Credit: All Commercial Banks	\$ 18,710	\$ 18,707	\$ 17,841	Sep-25



# Data Table

Metric	This Period	Last Period	Year Ago	Latest Release
Delinquency Rates: Credit Card	3.05	3.05	3.23	Apr-25
Gross Domestic Product (GDP)	\$ 30,486	\$ 30,042	\$ 29,147	Apr-25
M2 (Money Supply)	\$ 22,195	\$ 22,116	\$ 21,185	Aug-25
Federal Reserve's Balance Sheet	\$ 6,608	\$ 6,609	\$ 7,080	Sep-25
PCE: Headline Inflation	2.74	2.60	2.41	Aug-25
PCE: Core Inflation	2.91	2.85	2.87	Aug-25
Debt-to-GDP	118.78	120.55	119.50	Apr-25
Real GDP	\$ 23,771	\$ 23,548	\$ 23,287	Apr-25
Trucking Employees	1,523	1,524	1,516	Aug-25
Industrial Production	104	104	103	Aug-25
Credit Card Interest Rates	21.16	21.37	21.51	May-25
Charge-Off Rate: Credit Card Loans	4.31	4.67	4.73	Apr-25
Charge-Off Rate: Business Loans	0.58	0.56	0.49	Apr-25
Charge-Off Rate: Commercial Real Estate Loans	0.20	0.24	0.27	Apr-25
Yield Curve	0.51	0.49	(0.25)	Aug-25



# Data Table

Metric	This Period	Last Period	Year Ago	Latest Release
Total Assets: Money Market Funds	\$ 7,481,232	\$ 7,397,905	\$ 6,548,352	Apr-25
Federal Government Interest Payments	\$ 1,161	\$ 1,144	\$ 1,104	Apr-25
CPI: Rent in U.S. City Average	437	435	422	Aug-25
Consumer Loans: Credit Card Debt	\$ 1,048	\$ 1,048	\$ 1,072	Sep-25
New Single-Family Home Sales	800	664	693	Aug-25
New Housing Units Completed	1,608	1,483	1,755	Aug-25
Job Openings: Construction	306	242	229	Jul-25
New Homes: Median Square Footage	2,153	2,168	2,101	Apr-25
Median Sales Price of New Houses Sold	\$ 413,500	\$ 395,100	\$ 405,800	Aug-25
Job Openings: Total Nonfarm	7,181	7,357	7,504	Jul-25
Housing Inventory: Active Listing Count	1,098,681	1,102,787	908,944	Aug-25
New Home Inventory	490	497	471	Aug-25
Quits: Total Private	3,031	3,026	3,209	Jul-25



# Sources

Metric	Frequency	Sources	Notes
Housing Starts: Total Units	Monthly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	As provided by the Census, start occurs when excavation begins for the footings or foundation of a building. All housing units in a multifamily building are defined as being started when this excavation begins. Beginning with data for September 1992, estimates of housing starts include units in structures being totally rebuilt on an existing foundation.
New Housing Supply	Monthly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	The months' supply is the ratio of new houses for sale to new houses sold. This statistic provides an indication of the size of the new for-sale inventory in relation to the number of new houses currently being sold. The months' supply indicates how long the current new for-sale inventory would last given the current sales rate if no additional new houses were built.
Existing Housing Supply	Monthly	National Association of Realtors	The National Association of Realtors monthly housing indicators are based on a representative sample of local boards and multiple listing services. Sales volume, inventory, and price levels for existing homes are measured for the US in aggregate and by census region. Existing homes, unlike new homes, are homes that are owned and occupied before coming onto the market. Inventory indicates the number of properties marked as "active" on the market or those pending sales. When a seller lists a property, it becomes counted as inventory.
Nominal Median Sales Price of Houses Sold	Quarterly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	The purpose of the Survey of Construction (SOC) is to provide national and regional statistics on starts and completions of new single-family and multifamily housing units and statistics on sales of new single-family houses in the United States. The United States Code, Title 13, authorizes this survey and provides for voluntary responses. The Department of Housing and Urban Development partially funds this survey. The SOC also provides statistics on characteristics of new privately-owned residential structures in the United States. Data included are various characteristics of new single-family houses completed, new multifamily housing completed, new single-family houses sold, and new contractor-built houses started.
New Building Permit Authorizations: Total Units	Monthly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	Starting with the 2005-02-16 release, the series reflects an increase in the universe of permit-issuing places from 19,000 to 20,000 places.
Case-Shiller Index	Monthly	S&P Dow Jones Indices LLC	The S&P CoreLogic Case-Shiller Home Price Indices measure the price level of existing single-family homes in the U.S.
Residential Construction Employees	Monthly	U.S. Bureau of Labor Statistics	Construction employees in the construction sector include: Working supervisors, qualified craft workers, mechanics, apprentices, helpers, laborers, and so forth, engaged in new work, alterations, demolition, repair, maintenance, and the like, whether working at the site of construction or in shops or yards at jobs (such as precutting and preassembling) ordinarily performed by members of the construction trades.



# Sources

Metric	Frequency	Sources	Notes
Nominal Mortgage Rates	Weekly	Freddie Mac	On November 17, 2022, Freddie Mac changed the methodology of the Primary Mortgage Market Survey® (PMMS®). The weekly mortgage rate is now based on applications submitted to Freddie Mac from lenders across the country. For more information regarding Freddie Mac's enhancement, see their research note.
Delinquency Rates: Single-Family	Quarterly	Board of Governors of the Federal Reserve System	The charge-off rates are annualized and are calculated net of recoveries. Delinquent loans and leases encompass those that are past due by thirty days or more and are still accruing interest, as well as those in nonaccrual status. This comprehensive approach provides insight into the financial health and performance metrics of these major banks, considering both charge-offs and delinquencies in their loan portfolios.
Delinquency Rates: Commercial Real Estate	Quarterly	Board of Governors of the Federal Reserve System	The charge-off rates are annualized and are calculated net of recoveries. Delinquent loans and leases encompass those that are past due by thirty days or more and are still accruing interest, as well as those in nonaccrual status. This comprehensive approach provides insight into the financial health and performance metrics of these major banks, considering both charge-offs and delinquencies in their loan portfolios.
PPI: Residential Construction	Monthly	U.S. Bureau of Labor Statistics	The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.
Construction Spending: Residential	Monthly	U.S. Census Bureau	Construction work done each month on new structures or improvements to existing structures for private and public sectors (in 50 states and the District of Columbia).
Housing Inventory: Median Days on Market	Monthly	Realtor.com	With the release of its September 2022 housing trends report, Realtor.com® incorporated a new and improved methodology for capturing and reporting housing inventory trends and metrics. The new methodology updates and improves the calculation of time on market and improves handling of duplicate listings. Most areas across the country will see minor changes with a smaller handful of areas seeing larger updates. As a result of these changes, the data released since October 2022 will not be directly.
Nominal Monthly Mortgage Payment	Monthly	Reef Insights LLC	The nominal monthly mortgage payment is determined based on the current prevailing mortgage rate and the median sales price of houses sold. Our calculations are grounded in the following assumptions: a 20 percent down payment, a 30-year maturity period, and a fixed interest rate.
Real Mortgage Payment Index	Monthly	Reef Insights LLC	The real mortgage payment index is calculated by dividing the nominal monthly mortgage payment by the prevailing CPI index value.
Median Household Income Spent on Annual Mortgage Payments	Monthly	Reef Insights LLC	To determine the median household income spent on annual mortgage payments, we have annualized the prevailing nominal monthly mortgage payment and divided that payment by the prior years' median household income.



# Sources

Metric	Frequency	Sources	Notes
Fair Value Variable	Monthly	Reef Insights LLC	The analysis incorporates three distinct rolling averages signifying the percentage of median household income allocated to annual mortgage payments. These averages span 5 years, 10 years, and 15 years, respectively. In the determination of a 'fair value' premium or discount for each period, the established averages are divided by the prevailing percentage of median household income dedicated to annual mortgage payments. The resultant values are subsequently averaged to ascertain a premium or discount, which is applicable to the prevailing median sales price of houses sold.
Housing Expense Change	Monthly	Reef Insights LLC	The computed values have been obtained through the division of the rolling 1-year average for the percentage of median household income allocated to annual mortgage payments by the rolling 10-year average.
Nominal Median Household Income	Annually	U.S. Census Bureau	The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. For households and families, the median income is based on the distribution of the total number of households and families including those with no income. The median income for individuals is based on individuals 15 years old and over with income. Median income for households, families, and individuals is computed on the basis of a standard distribution.
CPI: Headline Inflation	Monthly	U.S. Bureau of Labor Statistics	The CPIs are based on prices for food, clothing, shelter, and fuels; transportation fares; service fees (e.g., water and sewer service); and sales taxes. Prices are collected monthly from about 4,000 housing units and approximately 26,000 retail establishments across 87 urban areas. To calculate the index, price changes are averaged with weights representing their importance in the spending of the particular group. The index measures price changes (as a percent change) from a predetermined reference date. In addition to the original unadjusted index distributed, the Bureau of Labor Statistics also releases a seasonally adjusted index. The unadjusted series reflects all factors that may influence a change in prices. However, it can be very useful to look at the seasonally adjusted CPI, which removes the effects of seasonal changes, such as weather, school year, production cycles, and holidays.
CPI: Core Inflation	Monthly	U.S. Bureau of Labor Statistics	The "Consumer Price Index for All Urban Consumers: All Items Less Food & Energy" is an aggregate of prices paid by urban consumers for a typical basket of goods, excluding food and energy. This measurement, known as "Core CPI," is widely used by economists because food and energy have very volatile prices.
Unemployment Rate	Monthly	U.S. Bureau of Labor Statistics	The unemployment rate represents the number of unemployed as a percentage of the labor force. Labor force data are restricted to people 16 years of age and older, who currently reside in 1 of the 50 states or the District of Columbia, who do not reside in institutions (e.g., penal and mental facilities, homes for the aged), and who are not on active duty in the Armed Forces.



# Sources

Metric	Frequency	Sources	Notes
Federal Funds Rate	Monthly	Board of Governors of the Federal Reserve System	The federal funds market consists of domestic unsecured borrowings in U.S. dollars by depository institutions from other depository institutions and certain other entities, primarily government-sponsored enterprises.
Personal Savings Rate	Monthly	U.S. Bureau of Economic Analysis	Personal saving as a percentage of disposable personal income (DPI), frequently referred to as "the personal saving rate," is calculated as the ratio of personal saving to DPI. Personal saving is equal to personal income less personal outlays and personal taxes; it may generally be viewed as the portion of personal income that is used either to provide funds to capital markets or to invest in real assets such as residences.
Jobless Claims	Weekly	U.S. Employment and Training Administration	An initial claim is a claim filed by an unemployed individual after a separation from an employer. The claim requests a determination of basic eligibility for the Unemployment Insurance program.
10-Year U.S. Treasury Yield Minus 2-Year U.S. Treasury	Weekly	Board of Governors of the Federal Reserve System	This particular yield curve is derived by subtracting the 10-year U.S. Treasury by the 2-Year U.S. Treasury.
Residential Rental Vacancy Rate	Quarterly	U.S. Census Bureau	The rental vacancy rate is the proportion of the rental inventory that is vacant for rent.
Real Residential Construction Spend Index	Monthly	Reef Insights LLC	This index is constructed by dividing the Total Construction Spending: Residential by the CPI: Residential Construction.
Household Savings	Annually	U.S. Bureau of Economic Analysis	To calculate the amount of household savings, the BEA starts with personal income, and then subtracts from that personal taxes to derive disposable personal income. Then, personal outlays are subtracted from disposable income. This results in an estimate of household savings.
Bank Credit: All Commercial Banks	Weekly	Board of Governors of the Federal Reserve System	The H.8 release provides an estimated weekly aggregate balance sheet for all commercial banks in the United States. The release also includes separate balance sheet aggregations for several bank groups: domestically chartered commercial banks; large domestically chartered commercial banks; small domestically chartered commercial banks; and foreign-related institutions in the United States
Delinquency Rates: Credit Card	Quarterly	Board of Governors of the Federal Reserve System	For more information, check out the Charge-Off and Delinquency Rates on Loans and Leases at Commercial Banks release.
Gross Domestic Product (GDP)	Quarterly	U.S. Bureau of Economic Analysis	Gross domestic product (GDP), the featured measure of U.S. output, is the market value of the goods and services produced by labor and property located in the United States.
M2 (Money Supply)	Monthly	Board of Governors of the Federal Reserve System	Beginning May 2020, M2 consists of M1 plus (1) small-denomination time deposits (time deposits in amounts of less than \$100,000) less IRA and Keogh balances at depository institutions; and (2) balances in retail MMFs less IRA and Keogh balances at MMFs. Seasonally adjusted M2 is constructed by summing savings deposits (before May 2020), small-denomination time deposits, and retail MMFs, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.
Federal Reserve's Balance Sheet	Weekly	Board of Governors of the Federal Reserve System	For more information, check out the H.4.1 release.



# Sources

Metric	Frequency	Sources	Notes
PCE: Headline Inflation	Monthly	U.S. Bureau of Economic Analysis	Table 9.1U - Comparison of the PCE Price Index with the CPI reconciles the changes in the personal consumption expenditures (PCE) chain-type price index, prepared by the Bureau of Economic Analysis (BEA), with changes in the consumer price index for all urban consumers (CPI), prepared by the Bureau of Labor Statistics (BLS).
PCE: Core Inflation	Monthly	U.S. Bureau of Economic Analysis	Table 9.1U - Comparison of the PCE Price Index with the CPI reconciles the changes in the personal consumption expenditures (PCE) chain-type price index, prepared by the Bureau of Economic Analysis (BEA), with changes in the consumer price index for all urban consumers (CPI), prepared by the Bureau of Labor Statistics (BLS).
Debt-to-GDP	Quarterly	U.S. Office of Management and Budget	Federal Debt: Total Public Debt as Percent of Gross Domestic Product (GFDEGDQ188S) was first constructed by the Federal Reserve Bank of St. Louis in October 2012.
Real GDP	Quarterly	U.S. Bureau of Economic Analysis	Real gross domestic product is the inflation adjusted value of the goods and services produced by labor and property located in the United States.
Trucking Employees	Monthly	U.S. Bureau of Labor Statistics	Each month, CES surveys approximately 119,000 businesses and government agencies, representing approximately 629,000 individual worksites.
Industrial Production	Monthly	Board of Governors of the Federal Reserve System	The industrial production (IP) index measures the real output of all relevant establishments located in the United States, regardless of their ownership, but not those located in U.S. territories.
Credit Card Interest Rates	Monthly	Board of Governors of the Federal Reserve System	This release is generally issued on the fifth business day of each month.
Charge-Off Rate: Credit Card Loans	Quarterly	Board of Governors of the Federal Reserve System	The 100 largest banks are measured by consolidated foreign and domestic assets. Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status.
Charge-Off Rate: Business Loans	Quarterly	Board of Governors of the Federal Reserve System	The 100 largest banks are measured by consolidated foreign and domestic assets. Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status.
Charge-Off Rate: Commercial Real Estate Loans	Quarterly	Board of Governors of the Federal Reserve System	The 100 largest banks are measured by consolidated foreign and domestic assets. Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status.



# Sources

Metric	Frequency	Sources	Notes
Yield Curve	Daily	Federal Reserve Bank of St. Louis	Starting with the update on June 21, 2019, the Treasury bond data used in calculating interest rate spreads is obtained directly from the U.S. Treasury Department. Series is calculated as the spread between 10-Year Treasury Constant Maturity (BC_10YEAR) and 2-Year Treasury Constant Maturity (BC_2YEAR). Both underlying series are published at the U.S. Treasury Department.
Total Assets: Money Market Funds	Quarterly	Board of Governors of the Federal Reserve System	For more information about the Flow of Funds tables, see the Financial Accounts Guide.
Federal Government Interest Payments	Quarterly	U.S. Bureau of Economic Analysis	For more information about this series, please see <a href="http://www.bea.gov/national/">http://www.bea.gov/national/</a> .
CPI: Rent in U.S. City Average	Monthly	U.S. Bureau of Labor Statistics	The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available.
Consumer Loans: Credit Card Debt	Monthly	Board of Governors of the Federal Reserve System	For further information, please refer to the Board of Governors of the Federal Reserve System's H.8 release.
New Single-Family Home Sales	Monthly	U.S. Census Bureau	For further further information, please refer to the New Residential Sales report that is published by the U.S. Census Bureau.
Hew Housing Unit Completed	Monthly	U.S. Census Bureau	This metric's official title is New Privately-Owned Housing Units Completed: Total Units, and further information can be found on the New Residential Construction report that is published by the U.S. Census Bureau.
Job Openings: Construction	Monthly	U.S. Bureau of Labor Statistics	This data can be found in the Job Openings and Labor Turnover Survey report that is published by the U.S. Bureau of Labor Statistics.
New Homes: Median Square Footage	Quarterly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	For further information, please refer to the Quarterly Starts and Completions by Purpose of Design release.
Median Sales Price of New Houses Sold	Monthly	U.S. Census Bureau	For further further information, please refer to the New Residential Sales report that is published by the U.S. Census Bureau.
Job Openings: Total Nonfarm	Monthly	U.S. Bureau of Labor Statistics	Total Nonfarm Job Openings are a measure of all jobs that are not filled on the last business day of the month. A job is considered open if a specific position exists and there is work available for it, the job can be started within 30 days, and there is active recruiting for the position.
Housing Inventory: Active Listing Count	Monthly	Realtor.com	The count of active single-family and condo/townhome listings for a given market during the specified month (excludes pending listings).
New Homes For Sale	Monthly	U.S. Census Bureau, U.S. Department of Housing and Urban Development	For further information, please refer to the New Residential Sales release.
Quits: Total Private	Monthly	U.S. Bureau of Labor Statistics	For further information, please refer to the Job Openings and Labor Turnover Survey release.



# About

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## Changing the Future Requires Understanding the Present.

Our mission is to decode complex real estate and economic ecosystems through data-driven insights, equipping professionals with actionable intelligence to navigate today's challenges and build tomorrow's opportunities.

## What We Do

What you just read is our monthly Reef Report, which is currently our flagship report intended to serve industry leaders, financial institutions, and everyday decision-makers make better, informed decisions.

We also send out a daily newsletter called, Reef Daily, which provides a quick summary of notable real estate transactions across the country and highlighting any notable events in real estate and economics.

## The Team

### Jake Enos

Jake holds a major in Finance and a minor in Accounting from the Carlson School of Management at the University of Minnesota. Jake also runs syndication investments in real estate in the Midwest.

### Shane McIntosh

Shane holds a double major in Finance and Supply Chain Management from the Carlson School of Management at the University of Minnesota. Shane also manages private capital across a variety of markets and asset classes.



# Legal

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